Dearness Allowance as Dearness Pay

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*246 SHRI NARAIN SINGH CHAUDHRI:
SHRI MADAN LAL KHURANA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are contemplating to treat a part of Dearness Allowance as Dearness Pay;

(b) if so, the percentage of Dearness Allowance proposed to be treated as Dearness Pay;

(c) the date from which it is likely to be made effective;

(d) whether the Government also propose to appoint a permanent Wage Review Committee for the Central Government employees; and

(e) if so, the time by which it is likely to be constituted?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE: (a) to (e). The demands relating to treating a portion of Dearness Allowance as Dearness Pay and appointment of a Permanent Wage Review Committee were discussed in the last meeting of the National Council of the JCM held on the 21st September, 1991, where it was decided to constitute a Committee of the National Council of the JCM and to set up an Expert Group respectively to examine these demands. The Report of the Committee of the National Council on treatment of a portion of Dearness Allowance as Dearness Pay is awaited. Orders for constituting an Expert Group are expected to be issued shortly.

[*Translation*]

SHRI NARAIN SINGH CHAUDHRI: Mr. Speaker, Sir, I had asked a question regarding treating a part of dearness allowance as dearness pay and regarding permanent Wage Review Committee. In reply to my question the hon. Minister has stated that the questions of treating a part of Dearness allowance as part of dearness pay and constitution of a permanent Wage Review Committee were discussed in the meeting of National Council of J.C.M. on 21.9.91. He has also stated that the report of the Committee has not yet been received. I would like to know from the Minister when was this Committee constituted? What is the tenure of the committee and what are its terms of reference? What were the reasons for delay in constituting the committee when the decision to this effect was taken on 21.9.91.?

[*English*]

SHRI SHANTARAM POTDUKHE: Sir, a Committee has been set up to determine the emoluments, structure and DA structure. The composition of the Committee is as follows: Shri H.N. Ray, retired Finance Secretary, he was also the Member Secretary of the 3rd Pay Commission, as the Chairman, Shri V. Attal, retired Chairman and Managing Director, SBI, Member and Shri B. Swaminathan, retired Director (Finance), Coal India Limited, as a Member. The Committee will submit its report within a period of 4 months. The orders for setting up the Committee are being issued very shortly.

[*Translation*]

SHRI NARAIN SINGH CHAUDHRI: Mr. Speaker, Sir, the decision to set up this committee was taken on 21st September and it was to submit its report within four months. Why has it not been constituted so far. Has the Government evolved this method to put off the genuine demands? In the year 1986 Pay Commission had submitted its report. It had recommended that whenever the percentage of dearness allowance becomes more than sixty per cent, a part of dearness allowance should be treated as dearness pay. Dearness allowance has reached 60 per cent. According to the report as on 1.1.92 dearness allowance has be-

come 67%. I would like to know whether Government is contemplating to appoint an expert committee to decide these things as per the recommendations. Why has it not been constituted in pursuance of these recommendations?

[*English*]

SHRI SHANTARAM POTDUKHE: Sir, this is a very important question as 40 lakh Government employees are involved in this. As I said, the matter is with the Committee and when the Committee recommends, then we will take the decision.

SHRI RAM KAPSE: Sir, the Minister just now while replying to the supplementary has said that orders will be issued about the Committee. The Committee will submit its Report after four months. As per the knowledge of the House, there are some instalments of Dearness Allowance which have not yet been paid. So, whether the Government will pay the instalments of the Dearness Allowance before the finalisation of the Report of the Committee or whether it will pay the Dearness Allowance after the submission of the Report of the Committee that I want to know. I want to know whether it will await for that.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, there is a slight confusion. I would like to clarify the position. There is a Committee under the Finance Secretary. It includes representatives of the staff side which is going into the question of the treatment of Dearness Allowance for purposes of merger into Dearness Pay. Now this Committee has had one Meeting. This matter is under consideration of this Committee.

My colleague, the hon. Minister has referred to the appointment of another Working Group. That is yet to be appointed. That will go into this whole question of wage structure, Dearness Allowance structures in Government, in public sector.

So, that group is yet to be constituted. As far as the payment of Dearness Allowance is concerned, whenever payment falls due, the Government will take appropriate action.

[*Translation*]

SHRI MOHAN RAWALE: Dearness allowance is paid to the Government employees to compensate the price rise but Government is levying income tax even on dearness allowance which is not actually an income. I would like to know from the Finance Minister whether Government have any proposal to exempt a part of dearness allowance from Income Tax.

[*English*]

SHRI MANMOHAN SINGH: I appreciate the motivation behind this question. [illegible] I must confess that taking into account the finances of the State Governments, it [illegible] possible to implement this suggestion.

I would like to inform the hon. House that 85 per cent of the income tax goes to the States. It is very easy for the Union Finance Minister to give bounties to say that tax rates will be reduced, exemptions will be increased but the biggest sufferers of that will be the States.

If we worry the finances of the State Governments, then I think we have to balance various interests and I submit to you that the finances of the State Governments being what they are, we cannot do that.

[*Translation*]

New National Highways

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*247. SHRI SATYNARAYAN JATIYA:
SHRI GABHAJI MANGAJI THAKORE:

Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) the details of proposals submitted by